

**MAJOR PROJECT ASSESSMENT:
Willmott Sawmill Project –
Bombala
MP 07_0161**



Director-General's
Environmental Assessment Report
Section 75I of the
Environmental Planning and Assessment Act 1979
August 2010

Cover photo: Aerial view of the Willmott site, Bombala.
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EXECUTIVE SUMMARY

Willmott Timbers Pty Ltd (Willmott) operates a sawmilling and pole production facility on the outskirts of Bombala, in the Bombala local government area. Timber processing operations have existed on the site since 1979 and the mill currently employs 89 people.

The facility currently produces sawn timber, and some treated timber products, including treated landscape timber, sleepers and fencing products; supplied to domestic markets in NSW, the ACT and Victoria.

Willmott now proposes to expand the existing facility, to increase its softwood log input capacity from 106,000 to 400,000 tonnes a year. The proposal involves relocating and or replacing most of the mill's existing infrastructure over a transition period of about four years. The existing structures would continue to be used in the interim and would be progressively demolished or relocated once new infrastructure is installed. The proposal involves construction of a new greenmill and timber treatment plant and associated infrastructure such as additional boilers and kilns, a new wastewater management system, a new site access and a new office and car park.

The proposal has a capital investment value of \$65 million, and would create jobs for 110 people during construction and an additional 23 jobs once operating at full capacity.

The proposal constitutes a 'major project' under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), and consequently the Minister is the approval authority for the project.

During the exhibition period, the Department received six submissions on the project: four from government authorities, and two from the general public.

One public submission objected to the project on the basis of the risk of contamination to Parsonage Creek by stormwater run-off from the mill.

The other public submission and the agency submissions raised concerns about the potential impact of the proposal on air quality, traffic, fire risk, waste management, Aboriginal cultural heritage, greenhouse gas emissions, land contamination, noise and woodchips & dust being blown onto surrounding properties.

The Department has assessed the merits of the project in detail and considers the key issues to be soil and water, air quality, traffic and noise.

The Department is satisfied that these issues can be suitably managed to ensure an acceptable level of environmental performance, and has concluded that the project would:

- provide long-term sustainable employment in Bombala in both the mill operations and related services;
- represent capital investment in the Monaro region; and
- attract further investment in timber processing and related industries.

On balance, the Department considers the project is in the public interest, and should be approved subject to conditions.

1. PROPOSED PROJECT

1.1 Background

Willmott Timbers Pty Ltd (Willmott) owns and operates a sawmill and timber processing facility off Sandy Lane in Bombala, in the Bombala local government area (see Figure 1). Timber processing operations began on the site in 1979, and over 20 development consents/building permits have accumulated for the various upgrades and expansions that have occurred. The mill has had a number of owners over the past 30 years and currently employs 89 people.



Figure 1 – Regional Context

The site is located approximately 2 km south-west of the township of Bombala, between Sandy Lane, Delegate Bombala Road (also known as Bonang Highway) and Wedmore Road. The site is surrounded by farmland.

The entrance to the site is approximately 700 m from the intersection of the Monaro Highway and Delegate Bombala Road. The Bombala River is approximately 1 km to the north-east, and two of its tributaries – Parsonage Creek and Saucy Creek – are located 120 m to the north and 650 m to the west respectively.

Willmott inherited a number of legacy issues from the previous owners of the mill, including soil and water contamination from spills and/or leaks of copper chrome arsenic around the timber treatment plant and a large stockpile of wood residue and sawdust that has accumulated onsite. These issues would need to be addressed prior to undertaking any substantial production increases.

Current Operations

The mill processes radiata pine sawlogs to produce sawn timber and some treated pine timber products. The current operations and facilities at the mill include:

- sawing and milling timber to produce round poles, fence palings, planed profiled timber and timber slab products;
- a treatment plant where a chemical preservative, usually copper chrome arsenate (CCA), is applied to timber under pressure; and
- associated infrastructure including boilers, kilns, a packaging shed, office, weighbridge and fuel and water storage tanks.

The site has over 20 development consents/building permits dating back to 1979 and the proponent intends to surrender all consents which are not required as part of the expanded mill.

1.2 Project Description

Willmott proposes to expand the existing facility to increase its timber processing capacity from:

- o 106,000 tonnes a year to 400,000 tonnes a year of softwood log input; and
- o 31,800 tonnes of treated timber to 150,000 tonnes of treated timber.

The major components of the proposal are summarised in Table 1, depicted in Figure 2 and Figure 3, and described in full in the Environmental Assessment (EA) of the project, which is attached as Appendix E.

Table 1: Major Components of the Project

Aspect	Description
Project Summary	Expansion of the existing sawmill and timber treatment plant at Sandy Lane, Bombala.
<i>New Plant</i>	The new sawmill, which would replace all of the existing operations over a four-year transition period, would consist of: • a debarker and log sorter; • a green mill; • a treatment plant; • boiler and kiln plants, consisting of a total of 4 x boilers and 10 x drying kilns; • 2 x steamers; • a dry mill and sticking plant; and • a pole plant.
<i>Storage</i>	Construction of additional storage including: • a hard-stand bark-on log storage area of approx. 1 ha; • dry timber storage building; • bunkers for bark, woodchip and sawdust residue; and • chemical storage tanks consisting of: - 4 x 65,000 L chrome copper arsenate (CCA) tanks; - 2 x 65,000 L alkaline copper quaternary solution (ACQ) tanks; - 1 x 22,500 L ACQ tank; - 1 x 17,000 L chemical tank.
<i>New infrastructure</i>	Installation of new infrastructure including: • a natural gas-fired boiler; • two new site access points; • loading facilities; • a weighbridge; and • an office and car park.
<i>Upgrade existing infrastructure</i>	Upgrade of existing infrastructure including electricity supply, connection of natural gas supply, new septic tank and black water dispersion system.
<i>Staging</i>	Construction and phase-out of existing operations would occur in stages over 4 years.
<i>Production Capacity</i>	Production would increase from 106,000 to 400,000 tonnes softwood log input per year. Timber treatment to increase from 30,000m ³ to 140,000 m ³ (approx 150,000 tonnes a year).
<i>Employment</i>	Construction – 110 during peak. Operation – 23 additional staff (112 in total).
<i>Transport</i>	The average number of two-way daily truck trips would increase from 35 to 92.

Aspect	Description
<i>Capital Value</i>	\$65 million
<i>Construction</i>	Construction would occur in stages over a total of 4 years, with progressive demolition or relocation of existing facilities and installation of new facilities occurring throughout that time.
<i>Hours of Operation</i>	6am – 10pm, 6 days a week (log yard, green mill, product dispatch). 24 hours, 7 days a week (planer and sticking mill, kilns and boilers, treatment plant, dispatch of residues).

Staging

The expansion project would take place over approximately 4 years, and would be divided into 8 stages.

Stages 1 to 4 would be completed in the first 12 months of construction and would allow for the reconfiguration and expansion of the site. Stages 5 to 8 would occur over approximately 3 years and mainly involve expansion of the existing processing facilities such as installation of additional kilns, boilers and packing, storage and dispatch facilities.



Figure 2 - Existing Site

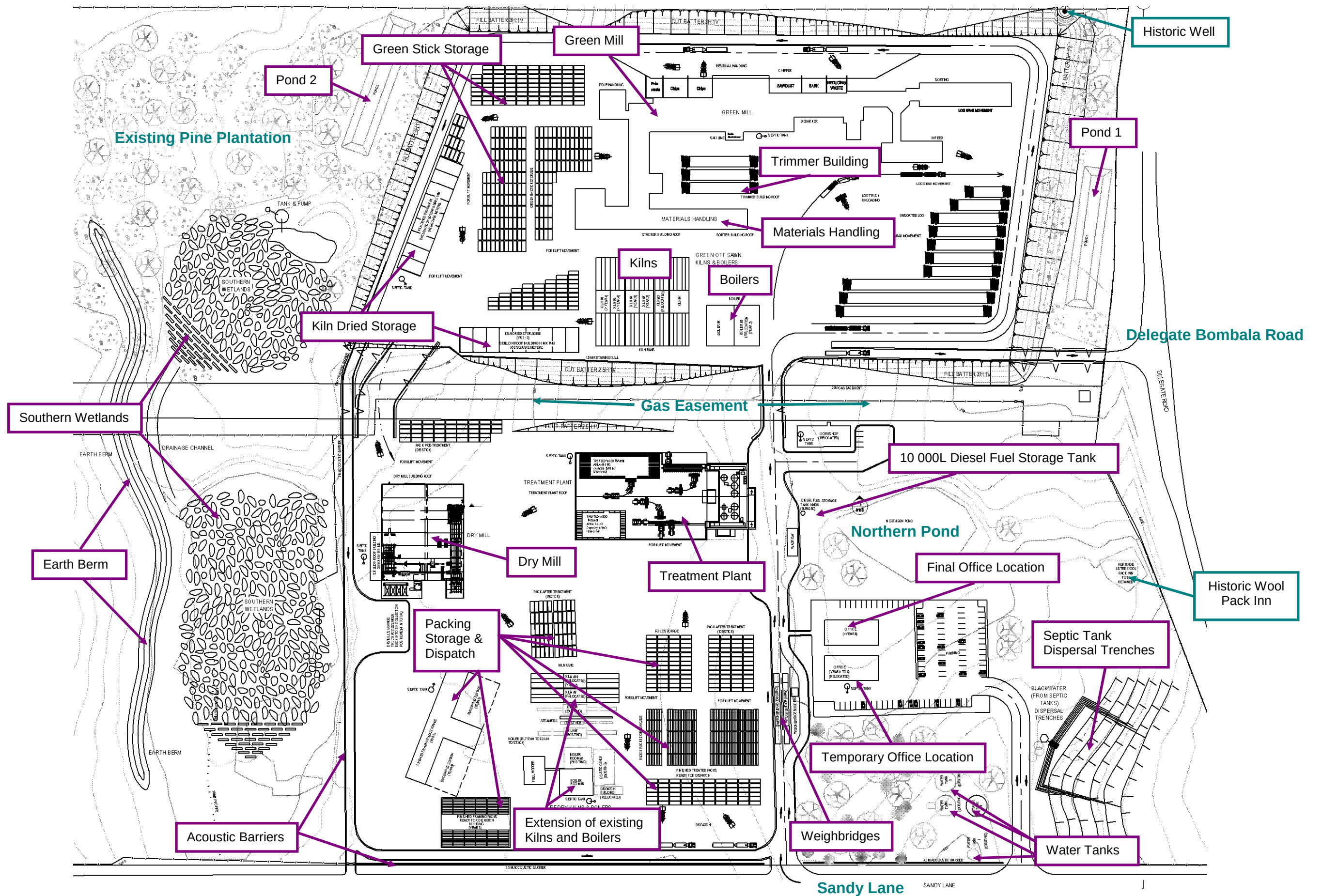


Figure 3: Proposed Site Layout

1.3 Project Setting

The site is approximately 3 km south west of Bombala on Delegate Bombala Road (approximately 30 km north west of Delegate). The site is surrounded by rural properties with the closest residents 175m to the south west and 275m to the north west of the site. A small tributary to Saucy Creek runs through the site, and Saucy Creek then runs into the Bombala River.

A number of pine plantations, which would supply the mill, occur within a 50 kilometre radius of the site. This includes 2 substantial forest resources to the south, owned by Forests NSW, and a number of smaller plantations, owned by Willmott Forests, scattered to the east, south and west of the site.

Trucks would deliver logs to the mill from the surrounding plantations and would also transport the products from the mill, via the Monaro Highway. Most products are expected to be delivered to Canberra and Sydney, with smaller quantities going to Victoria and regional NSW. A small quantity of product may also be taken to the wharves at Eden (approximately 100km to the south east, via Mount Darragh and Towamba Roads) for shipment.

1.4 Project Need

The project would increase the input log capacity of the mill to approximately four times that of existing operations. This would enable it to process close to the full sawlog capacity of the softwood plantations within the Bombala region.

This timber resource comprises estates owned by Forests NSW and Willmott Forests. The Proponent states that it has secured a long-term wood supply agreement with Forests NSW in relation to Forest NSW's resources in the region and that this agreement underpins the project.

The project would allow the softwood timber resource to be fully processed within the Bombala region, providing ongoing employment and associated benefits to the local community.

The Proponent states that the scale of the mill's current operations is at the lower margin of cost competitiveness and that if the mill does not expand its scale significantly, it is likely to be closed due to a lack of economic sustainability.

1.5 State Plan and Alpine Region Strategy 2001

The project is consistent with the goals and priorities of the State Plan, and in particular priorities to increase business investment and increase the number of jobs closer to home.

The project is also consistent with the goals and priorities of the *Alpine Region Strategy* which identifies forestry as a key economic driver in the region.

2. STATUTORY CONTEXT

2.1 Major Project

The proposal is classified as a major project under Part 3A of the *Environmental Planning and Assessment Act 1979* (the EP&A Act) because it meets the non-discretionary criteria of Schedule 1, Clause 4 of the *State Environmental Planning Policy (Major Development) 2005*, namely:

development that employs 100 or more people or has a capital investment value of more than \$30 million for the purpose of milling plants, sawmills [...] or wood preservation.

Consequently, the Minister for Planning is the approval authority for the project.

On 25 January 2010, the Minister for Planning delegated responsibility for the determination of project applications under Part 3A of the EP&A Act to the Deputy Director-General, Development Assessment and Systems Performance where:

- there are fewer than 25 submissions in the nature of objections in respect of the project application; and
- the project is not a critical infrastructure project under section 75C of the EP&A Act.

The Deputy Director-General can therefore determine the project under delegated authority.

2.2 Permissibility

Under Section 75J of the EP&A Act, the Minister cannot approve the carrying out of a project that would be wholly prohibited under an environmental planning instrument.

The site is zoned 1(a) Rural under the *Bombala Local Environmental Plan 1990*. The Project is permissible with development consent within this zone as a sawmill.

Consequently, the Department is satisfied that the project is permissible with consent, and that the Minister may approve the project.

2.3 Exhibition and Notification

Under Section 75H(3) of the EP&A Act, the Director-General is required to make the Environmental Assessment (EA) of a Project publicly available for at least 30 days.

After accepting the EA for the Project, the Department:

- made it publicly available from 19 November 2009 until 23 December 2009:
 - on the Department's website;
 - at the Department's Information Centre;
 - at Bombala Council; and
 - at the Nature Conservation Council;
- notified landowners in the vicinity of the site about the exhibition period by letter;
- notified relevant State government authorities and Bombala Council by letter; and
- advertised the exhibition in the Bombala Times.

During the assessment process the Department also made a number of documents available for download on the Department's website. These documents included the:

- Project application;
- Director-General's environmental assessment requirements;
- EA; and
- the Response to Submissions.

2.4 Environmental Planning Instruments

Under Section 75I of the EP&A Act, the Director-General's report is to include a copy of or reference to the provisions of any:

- State Environmental Planning Policy (SEPP) that substantially govern the carrying out of the Project; and
- environmental planning instrument that would (but for Part 3A) substantially govern the carrying out of the Project and that have been taken into consideration in the environmental assessment of the Project.

The Department has considered the Project against the relevant provisions of several environmental planning instruments (including *State Environmental Planning Policy (Major Development) 2005*, *State Environmental Planning Policy (Infrastructure) 2007*, *State Environmental Planning Policy No 55 – Remediation of Land* and the *Bombala Local Environmental Plan 1990*).

The Department is satisfied that, subject to the implementation of the recommended conditions of approval, the Project is generally consistent with the aims and objectives of these instruments (see Appendix B).

2.5 Objects of the Environmental Planning and Assessment Act 1979

The Minister's consideration and determination of the application must be consistent with the relevant provisions of the EP&A Act, including the objects set out in Section 5 of the Act.

The objects of most relevance to the Minister's decision on whether or not to approve the project are found in section 5(a)(i), (ii), (iv), (vi) and (vii). They are:

- (a) *to encourage:*
 - (i) *the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
 - (ii) *the promotion and co-ordination of the orderly and economic use and development of land,*
 - (iv) *the provision of land for public purposes,*
 - (vi) *the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
 - (vii) *ecologically sustainable development”.*

The Department has fully considered the objects of the EP&A Act, including the encouragement of ESD, in its assessment of the merits of the application.

This assessment has integrated all significant economic and environmental considerations and sought to avoid any potential serious or irreversible damage to the environment.

Willmott has also considered alternatives to the proposed project including continuing with existing operations unchanged and augmenting the current facility with equipment transported from a site in Victoria. The proposed project was considered the preferred option because continuing with existing operations would likely lead to the closure of the mill due to its inability to operate on an economically sustainable scale. While the proposed project represents a significant upfront capital investment, it is considered likely to produce the best financial outcome as it optimises sawn timber output close to where plantation resources are located.

2.6 Statement of Compliance

Under Section 75I of the EP&A Act, the Director-General's report is required to include a statement relating to compliance with the environmental assessment requirements with respect to the project. The Department is satisfied that the environmental assessment requirements have been complied with.

3. ISSUES RAISED IN SUBMISSIONS

During the exhibition period, the Department received six submissions on the project, including:

- 4 from public authorities – Forests NSW on behalf of the Department of Industry and Investment, the Department of Environment, Climate Change and Water (DECCW), the Roads and Traffic Authority (RTA) and Bombala Council (Council); and
- 2 from the general public.

The public authorities raised a number of issues with the project, and provided recommended conditions of approval.

Forests NSW contends that the proposed operating hours for the log yard of 6am to 10pm, 6 days a week are inadequate for the proposed log intake, stating that forest logistics and log haulage are to operate on a double-shift basis. Forests NSW also raises the concern that the environmental assessment for the Project does not provide adequate timeline information to determine whether or not the proposal is in line with Willmott's contractual obligations to Forests NSW in relation to sawlog intake.

The submission from DECCW raised a number of concerns in relation to waste management, air emissions, Aboriginal cultural heritage, greenhouse gas emissions and land contamination. DECCW subsequently recommended conditions relating to the management of these issues.

The RTA requested clarification of the traffic impacts and subsequently recommended conditions requiring certain road upgrades and traffic management strategies.

Council raised concerns in relation to potential impacts of the Project on air quality and traffic, the accuracy of the Proponent's estimated employment creation figures, and the fire hazards associated with the Project.

One public submission objected to the project on the basis of the risk of contamination to Parsonage Creek by stormwater run-off from the mill.

The other public submission raised a number of concerns relating to potential noise impacts and ongoing issues with dust, woodchips and wood residue being blown into surrounding properties.

A full copy of all of the submissions is attached in Appendix D.

3.1 Response to Submissions

Willmott has provided a formal response to the issues raised in submissions (see Appendix C). This has been made publicly available on the Department's website.

The Department has considered the issues raised in submissions, and Willmott's response to these issues, in its assessment of the merits of the project.

4. ASSESSMENT

The Department has assessed the project, in accordance with the requirements in the EP&A Act and Regulation, and considers the key issues to be: soil and water, air emissions, dust and wood residue management, traffic and noise.

Other issues, including hazards, energy use, waste, heritage, visual impacts and flora and fauna, have been addressed in the Environmental Assessment (EA), Statement of Commitments and Submissions Report. These issues are summarised briefly in Section 4.6 of this assessment report.

4.1 Soil and Water

Contamination

Issue

Contaminated soil and groundwater occur on site and would need to be remediated and or managed to prevent offsite impacts.

Consideration

Due to past management practices and use of copper chrome arsenic in the timber treatment process, the soil and groundwater on site have become contaminated. Soil around the existing treatment area contains elevated arsenic concentrations, with monitoring in 2003 recording levels of up to 1,300mg/kg, exceeding the relevant health investigation level F (HIL F) of 500mg/kg. More recent monitoring indicates arsenic has leached deeper into the soil profile and concentrations are now lower at 290mg/kg.

Groundwater in the vicinity of the treatment area is also contaminated with arsenic, chromium (VI), chromium (III) and copper exceeding groundwater investigation levels (see Table 2). Monitoring indicates the contaminant plume is migrating to the north and south of the treatment area (which is in the centre of the site) and has reached the northern boundary of the site.

Table 2: Groundwater Contamination

	Measured Level	Groundwater Investigation Levels*		
		Aquatic Ecosystem	Drinking Water	Agricultural (Livestock)
Arsenic (mg/L)	3.200	0.050	0.007	0.500
Chromium (Total) (mg/L)	130.000	0.010		
Chromium (VI) (mg/L)	21.900		0.050	1.000
Copper (mg/L)	1.200	0.002-0.005	2.000	0.5

*National Environmental Protection (Assessment of Site Contamination) Measure 1999

Elevated arsenic, chromium and copper concentrations also occur in the water and sedimentation ponds on site (see Table 3). The southern pond is also affected by stormwater runoff from the nearby wood residue stockpile, which has caused a high organic carbon content and high iron, ammonia and methane concentrations in the southern pond.

Table 3: Surface Water Contamination

	Southern Dam Inlet 1	Southern Dam Inlet 2	Southern Dam	Northern Dam	Steamer/Kiln Condensate	ANZECC 2000 Criteria*	ADWG 2004 Health Criteria#
Arsenic (mg/L)	0.010	0.044	0.051	0.046	0.028	0.013	0.007
Chromium (total) (mg/L)	0.010	0.016	0.018	0.096	0.023	0.0033	0.050
Copper (mg/L)	0.002	0.001	0.002	0.016	0.026	0.0014	2.00
Ammonia (mg/L)	0.400	<0.100	0.100	0.200	2.900	0.900	50.00

*ANZECC, ARMCANZ National Water Quality Management Strategy Australian and New Zealand for Fresh and Marine Water Quality (ANZECC 2000)

#NHMRC, NRMCC National Water Quality Management Strategy Australian Drinking Water Guidelines 2004 (ADWG 2004)

As part of the redesign and expansion of the project, most facilities would be demolished or moved and this would allow for the remediation of contaminated soil and groundwater.

The majority of the contamination is expected to have originated from the existing treatment facility. As the existing building restricts access to this area, the extent of contamination cannot be confirmed until the building is removed. Consequently, the contamination levels and the resulting remediation strategy would not be finalised until stage 3, when the building is scheduled to be demolished. While DECCW has not declared the site to be significantly contaminated land (ie requiring a management order - to manage and or remediate the site) to date, it is possible that this may occur, if the contamination levels beneath the building are significant.

Nonetheless, DECCW, the Department and the Proponent agree that the soil and groundwater contamination needs to be appropriately remediated to prevent offsite impacts and to ensure the site is suitable for the ongoing use of the site as a timber mill and treatment plant.

The Proponent has predicted the likely contamination levels based on monitoring around the treatment facility and the site, and has considered options to manage the contamination. This assessment indicated that contaminated soil is likely to be immobilised and bound by mixing it with cement, to produce a gravel type substance suitable for backfilling on site. Contaminated groundwater and pond sediments are likely to be sent to a licensed facility for treatment and disposal. Although this is the most likely remediation strategy, the final remediation strategy would only be determined once the existing treatment plant has been demolished and it is possible to access the underlying contaminated soil.

DECCW has confirmed that a Remedial Action Plan would need to be prepared for the site. This would ensure that appropriate remediation strategies are identified and implemented in accordance with the requirements of the legislation.

Consequently, the Department has recommended conditions requiring a Remedial Action Plan to be prepared and implemented in consultation with DECCW, and to be endorsed by a suitably qualified independent expert. This would involve:

- o further testing once demolition of the buildings allows better access to the areas expected to have the highest contamination levels;
- o consideration of the remediation options available; and
- o implementation of the most suitable remediation strategy for the site.

The recommended conditions also require:

- o a Validation Report and Site Audit, to ensure the site is suitably remediated, prior to construction on the areas affected by contamination; and
- o ongoing monitoring and reporting to ensure that any spills, or leaks in the new bunding, would be identified and managed.

Conclusion

The Department is satisfied this would ensure the site would be remediated to become suitable for the proposed use.

Wastewater

Issue

The project would generate wastewater from the treatment process and would also manage sewage onsite.

Consideration

The project would have 3 wastewater streams, the timber treatment wastewater stream, the contaminated stormwater management stream and the black water (sewage) stream. The majority of wastewater would be generated in the treatment process. The site's sewerage system would also generate black water which would need to be suitably treated and managed on site. Finally, the storage of treated timber prior to dispatch has the potential to generate contaminated stormwater which would also need to be managed.

One public submission objected to the project, due to concerns about contaminated stormwater entering Parsonage Creek - which is the main water source for the submitter's property to the north of the site. The property is used for sheep grazing and the objector raised concerns about the potential existing and future contamination of the creek.

DECCW also initially raised concerns about some of the proposed water management systems and provided recommended conditions to ensure these wastewater streams would be appropriately managed.

Wastewater from the treatment process mainly comes from the steamer and kiln condensate, which would contain Copper Chrome Arsenate (CCA) and organic carbon. This wastewater would be treated using activated carbon and then is intended to be reused in the treatment process (see Figure 4).

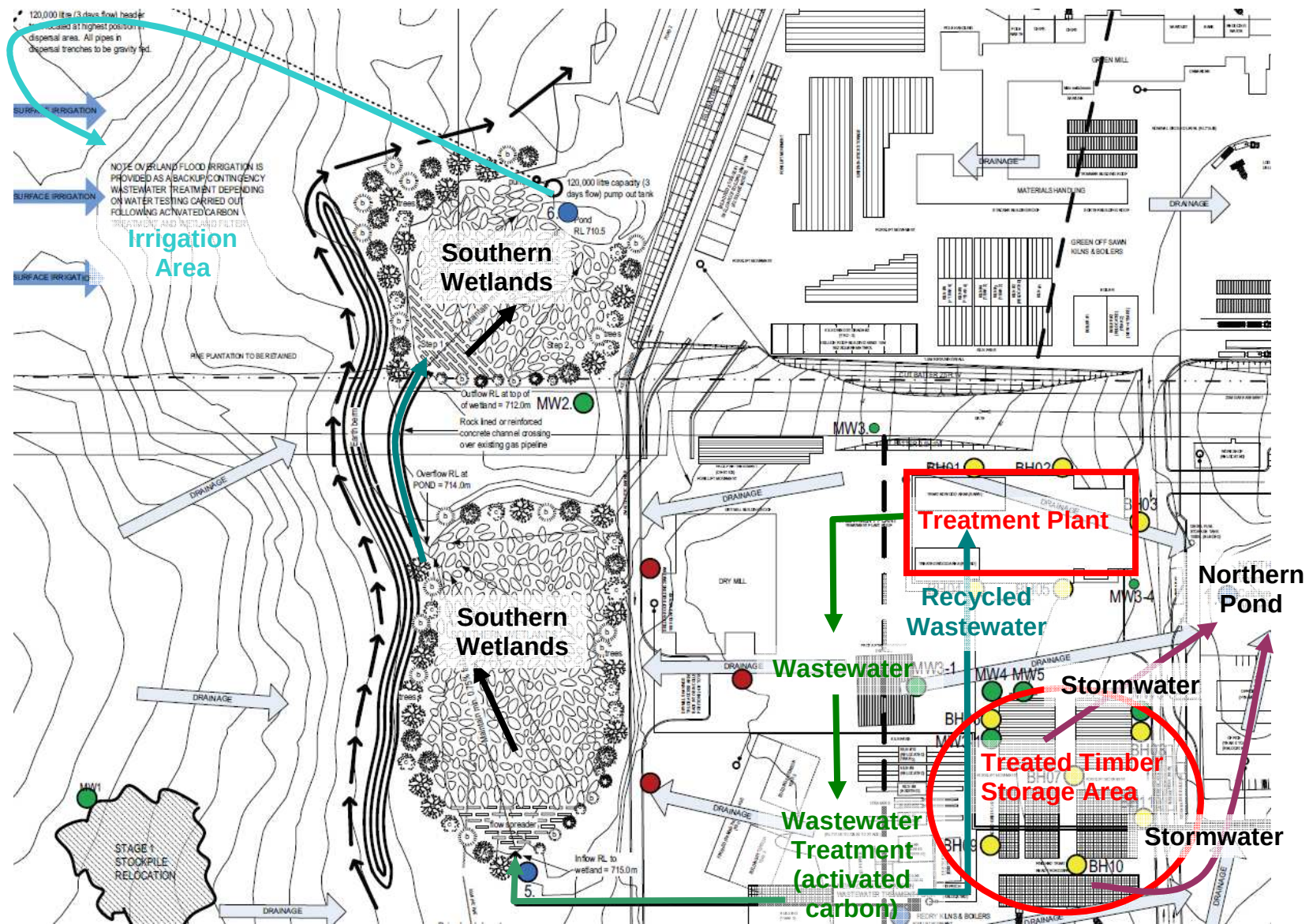


Figure 4 – Wastewater and contaminated stormwater reuse and disposal

Reuse of all condensate may not be possible and would only occur once certain upgrade components have been installed. In the interim, during the expansion and upgrade works, and in the event that reuse of all the condensate cannot be achieved, wastewater from the treatment plant would need to be further treated prior to disposal.

This would involve directing the wastewater through the southern wetland system, which would be designed to remove contaminants as the water progresses through the system. The water from the system would then be reused onsite or may be irrigated onto the existing pine plantation in the south west corner of the site, to prevent offsite discharge. In the unlikely event that water from the southern wetland would be discharged offsite; this would be subject to regular monitoring to demonstrate that the water meets the standards prescribed in the ANZECC Australian and New Zealand guidelines for fresh and marine water quality.

A new sewerage system including a septic tank and black water dispersion system would also be installed on site. Septic tanks would be located across the site and blackwater from these tanks would be directed to the north eastern corner of the site for dispersal. DECCW has recommended that the system must be designed and operated in accordance with the relevant guidelines and the Department has incorporated this requirement into the recommended conditions.

The Proponent proposes to provide a gravel surface for the treated timber storage area and DECCW raised concerns that this could become a potential pathway for soil contamination as the treated timber may leach treatment chemicals (mostly Copper Chrome Arsenate). DECCW recommended conditions:

- o requiring the treated timber storage area to be sealed, to prevent future soil and groundwater contamination;
- o to keep the potentially contaminated runoff separate from other stormwater onsite; and
- o specifying the stormwater storage capacity requirements for the project.

The Proponent has argued that, as the timber is ready for sale, it would be suitable for outdoor, and in ground use, so should not pose a risk to soil or water.

The Department has considered the views of the Proponent and DECCW and also notes that the Australian Standards prescribe specific provisions to ensure that CCA treated timber undergoing CCA-fixation is stored on a sealed area with a suitable stormwater collection and treatment system in place.

Consequently, the Department considers the project should comply with the Australian Standards, and treated timber undergoing fixation should be stored on an appropriately sealed site with suitable stormwater management infrastructure. DECCW has indicated they are satisfied with this condition. Runoff from this area would be directed to the northern pond. This water would then be tested and reused in the processing plant, or on other areas of the site, depending on the level of contamination (if any). The Department has incorporated these requirements to comply with the Australian Standards into the recommended conditions.

The Department has also recommended conditions requiring a soil and water management plan to be prepared and implemented. The plan would include a water balance describing the quality and quantity of water at each stage of the process and the reuse and disposal methods to be implemented. The plan would also ensure that erosion and sediment controls and stormwater management would be implemented onsite.

Conclusion

The Department is satisfied that wastewater can be managed on site through treatment and reuse in the process, where possible. Sewerage and stormwater would also be managed onsite through the recommended conditions. Should irrigation of the treated wastewater be required, then the recommended conditions would also ensure that this would be carefully monitored and managed.

4.2 Air Emissions

Issue

The project would generate air emissions from the operations of the treatment plant, kiln and boilers and air emissions from the site would be limited in DECCW's Environmental Protection Licence.

Consideration

There are a number of existing kilns and boilers that would continue to be used in the expanded site, and additional kilns and boilers would also be installed as part of the expansion.

One existing boiler is wood fired and would produce solid particles, volatile organic compounds and Type 1 substances (including arsenic, cadmium, lead and mercury). The boiler is predicted to achieve the standard discharge limits for all emissions, except particulates.

The boiler would meet the particulate limits for Group 4 activities and plant, prescribed in the *Protection of the Environment Operations (Clean Air) Regulation 2002*. Plant belongs to Group 4 if it commenced to operate before August 1997, however when undertaking a substantial upgrade or expansion, facilities are required to bring their equipment and controls up to current standards. Consequently, while the facility has been operating since before 1997, DECCW has indicated they will seek a more stringent limit in the Licence for the facility, as the facility should meet current standards (Group 6 activities). The Department has adopted DECCW's proposed discharge limits in the recommended conditions and recognises that the particulate limit may be amended by DECCW's licence limits. Any amended limit would be contingent on appropriate modelling demonstrating that the ground level concentrations would be consistent with DECCW's Impact Assessment Criteria.

All other boilers would be gas fired producing oxides of nitrogen, volatile organic compounds and Type 1 and Type 2 substances (comprising a number of substances including chromium, selenium, nickel and arsenic). Emissions from these boilers would be within the standard discharge limits.

The Redry Kilns and Vacuum Pumps would also produce emissions of Type 1 and 2 Substances, and Copper compounds, with levels generally predicted to be within the standard discharge limits.

DECCW has recommended air emission discharge limits and the Department has incorporated these limits into the recommended conditions. Where DECCW is yet to determine the discharge limit to be adopted in the Licence the Department has used the limits prescribed in the *Protection of the Environment Operations (Clean Air) Regulation 2002* to represent the upper limit for this emission. Limits for Copper compounds are not prescribed in the *Protection of the Environment Operations (Clean Air) Regulation 2002*, so the Department has not included a limit for Copper as this will be determined during commissioning and would be limited by DECCW in the Environmental Protection Licence.

Modelling was undertaken to ensure compliance with DECCW's ground level concentrations, but has not been provided for toxic air pollutants such as arsenic, cadmium, chromium and nickel. The maximum predicted ground level concentrations of the emissions that were modelled would be well within the impact assessment criteria at all times.

The Department notes that the site is surrounded by rural land uses, and that consequently the background levels of toxic air pollutants present are likely to be minimal. This suggests that the cumulative impact of the project and the existing air quality are unlikely to exceed DECCW's Impact Assessment Criteria.

DECCW initially raised concerns about the data used in the modelling of ground level concentrations and the level of information provided and also requested that the modelling be undertaken for all toxic air pollutants. However, following discussions with the Department and proponent regarding the structure of potential conditions and project staging, DECCW has agreed that this study can be submitted within 3 months of the commissioning of the project. Consequently, the Department has incorporated DECCW's requirements into the recommended conditions.

To ensure impacts are minimised and managed within acceptable levels, the Department has recommended conditions limiting the air emissions from the facility and also requiring detailed verification of the air emissions and ground level concentrations during the detailed design and installation of the plant. The Department is confident this would ensure that air emissions would be controlled and treated to achieve acceptable ground level concentrations.

Conclusion

The Department is satisfied that the recommended conditions would ensure air emissions are limited, and appropriately managed onsite. This should minimise impacts to within the levels prescribed in DECCW's Impact Assessment Criteria and prevent offsite impacts on private receptors.

4.3 Dust and Wood Residue

Issue

The project would generate sawdust and wood residue from the milling of timber.

Consideration

Saw dust and wood chips are currently stockpiled on site. In 2009, large quantities of this stockpiled material were blown onto the road and neighbouring property, contaminating the property and dams. DECCW found that an extremely large amount of wood residue was being stored onsite, with nothing in place to prevent wind born movement of the residue.

DECCW subsequently issued a cleanup notice and the Proponent has now committed to removing the residual stockpile on site and to preparing and implementing a Dust Monitoring and Management Plan during removal of the residual stockpile and to manage the new wood residue storage area.

One local resident raised concerns that wood residue would continue to be blown off site. Council also raised concerns about the proposed storage capacity of the new storage area, noting that an emergency storage area may also be required. However, DECCW considers that an emergency stockpile area would not be required, as the plant operations could be managed to avoid generating excess wood residue.

The Proponent has also advised that the new processing and milling technologies would reduce the quantity of wood residue likely to be generated.

Nonetheless, DECCW has recommended that a Dust Management and Monitoring Plan should be prepared prior to operations of the new facilities.

The Department agrees that the wood residue needs to be carefully managed to prevent further material being blown offsite and agrees with DECCW that additional emergency storage capacity would not be required if dust and wood residue volumes are carefully monitored and managed.

Consequently, the Department has recommended conditions requiring a Dust and Wood Residue Monitoring and Management Plan to be prepared and implemented to manage the existing stockpile and future wood residue produced on site.

Conclusion

The Department is satisfied that the existing, and new, dust and wood residue that would be produced can be managed through careful monitoring and maintenance practices.

4.4 Traffic

Issue

The project would generate additional traffic on the local road network.

Consideration

Access to the site is currently via Delegate Bombala Road and Sandy Lane. As shown in Figure 5, Delegate Bombala Road traverses Parsonage Creek with a small bridge just before joining the Monaro Highway.

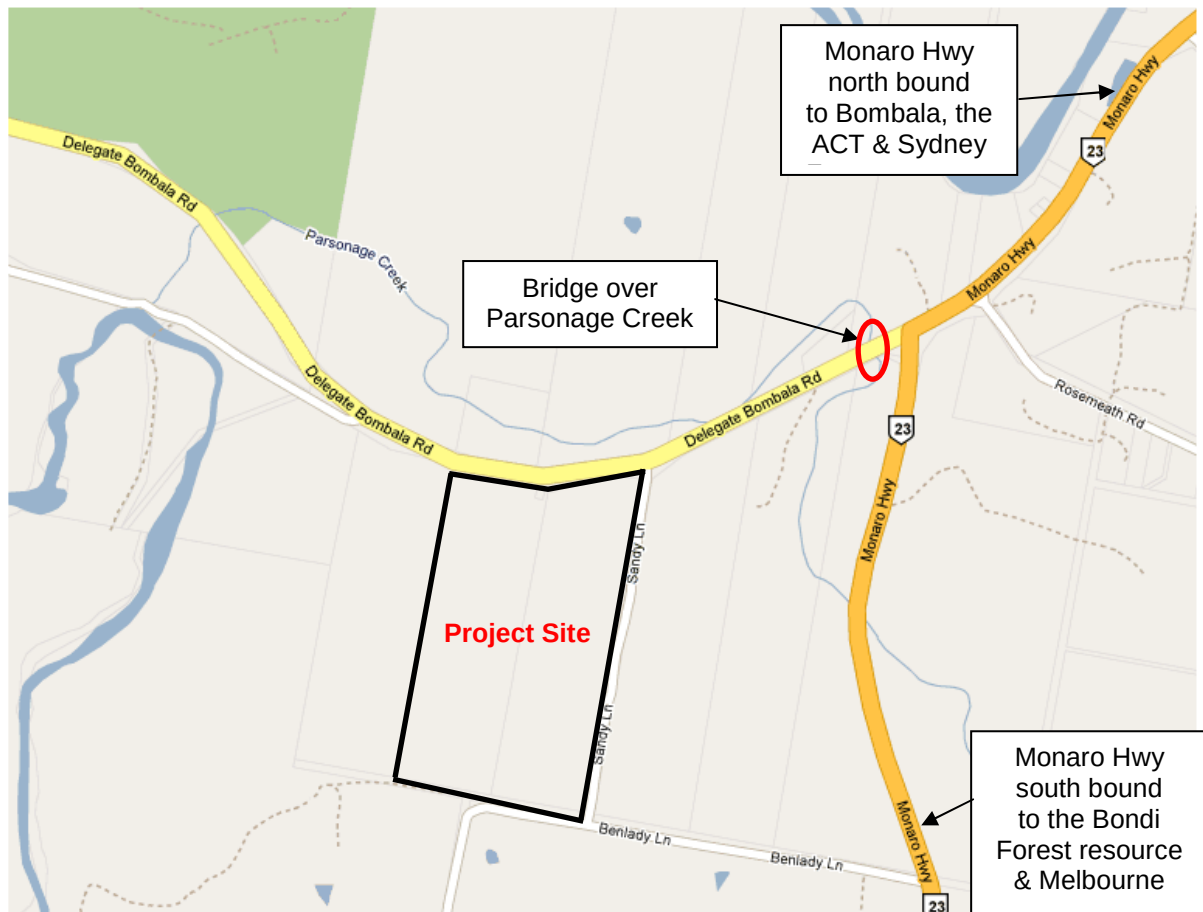


Figure 5 - Site Access

The mill currently generates approximately 35 truck trips a day. Approximately 20 of these trucks travel via the Monaro Highway to the north through Bombala, while 10 trucks take the Monaro Highway south and 4 travel west along Delegate Bombala Road to access the Delegate Forest resources.

These truck trips are predicted to increase to 92 a day once operating at full capacity; this would include approximately 52 travelling to and from the north through Bombala and 35 travelling to and from the south.

The Proponent's traffic assessment identified a number of deficiencies in the current road network, and found that the expansion project would add to these deficiencies. To manage this, the Proponent has committed to upgrading the intersection of Sandy Lane and Delegate Bombala Road and to constructing an additional exit point connecting directly with Delegate Bombala Road.

The RTA has also recommended a number of conditions to manage road safety risks. In particular they have recommended requirements to:

- o upgrade the intersection of Sandy Lane and Delegate Bombala Road (which the Proponent has also committed to); and
- o implement a signage and marking plan to manage movements across Parsonage Creek Bridge.

The RTA also recommended that the left turn from the Monaro Highway onto Delegate Bombala Road should be upgraded to cater for the swept path of heavy vehicles making this turn. The Proponent's traffic assessment suggested that as this is an existing problem it should not be the Proponent's responsibility to upgrade this intersection.

The Department has considered the RTA's recommendation and the Proponent's concerns. The Department notes that the safety concerns relate to the swept path of B-Double trucks turning left onto Delegate Bombala Road. It seems highly unlikely that B-Double trucks would be making this left turn

unless they were associated with the Mill and the Department considers it is reasonable that the Mill should be responsible for upgrading the intersection to cater for the Mill's traffic.

Consequently, the Department has recommended conditions requiring the upgrades requested by the RTA. This includes the upgrade of the left turn from the Monaro Highway onto Delegate Bombala Road and the implementation of a signage and marking plan to manage vehicle movements across Parsonage Creek Bridge. The Proponent has accepted this recommendation.

Conclusion

The Department is satisfied that these upgrades and management of traffic on Parsonage Creek Bridge will ensure road safety risks are appropriately minimised and managed.

4.5 Noise

Issue

The project would generate noise during construction and operation and has the potential to exceed the noise limits at the nearest sensitive receivers.

Consideration

The project has the potential to exceed the construction noise goals at the 2 nearest residences, by 7 and 5 dBA respectively. The Proponent's noise assessment found that installing exhaust silencers to the front end loaders and excavators would reduce noise from each of these sources by up to 10 dBA. The Proponent has committed to implementing noise controls such as these during construction, and to limiting construction hours for noisy activities. This should keep noise levels within the construction noise goals during construction, at the nearest residence.

One public submission raised concerns about noise from the project. The Department understands that there are some noise issues with the existing operations onsite, however notes that the construction of acoustic barriers along the eastern and southern perimeter of the mill should manage this. The acoustic barriers are proposed to be constructed along Sandy Lane and to the south of the mill during stages 2 and 4 respectively. However, to minimise construction noise impacts, the Department has recommended conditions requiring both these barriers to be completed prior to building the new treatment plant and dry mill (the stage 3 building works).

Noise modelling indicates the project would generally comply with the noise criteria during operations, at all surrounding residences. Nonetheless, in the event of unstable or inversion weather conditions, the project has the potential to exceed the noise criteria during the day and evening by up to 4 dBA at the nearest residence. Local meteorological data indicates that these conditions do not frequently occur and consequently the Department considers that the proposal would generally comply with the noise criteria for the site.

The noise modelling found that reversing beepers have the potential to cause sleep disturbance at the nearest residential receiver (the Parsonage). The majority of deliveries would occur between 6am and 10 pm so the use of reversing beepers would be unlikely to occur during most of the night time period (10pm to 7am). Also, alternative reversing signals are available, which use a flashing light or less intrusive tone to indicate a vehicle is reversing. In order to minimise impacts on sleep disturbance the Proponent has committed to using one of these alternatives to the reverse beeper. The Department is satisfied this would minimise noise to prevent sleep disturbance.

DECCW did not raise any concerns regarding noise but recommended noise limits and monitoring requirements. The Department has incorporated DECCW's noise limits into the recommended conditions and has included requirements for noise validation during construction and once operating at full capacity.

Conclusion

The Department is satisfied that noise from the project can be minimised and managed within the noise criteria, specified in the Industrial Noise Policy.

4.6 Other Issues

The Department's assessment of other issues is summarised in Table 4.

Table 4 – Other Issues

Issue	Consideration	Recommended Conditions
Hazards	• The project is potentially hazardous and a preliminary hazard analysis has been prepared. • This identified the main hazards from the project to be: - leaking or spillage of corrosive chemicals; and - fire or explosion from accumulated wood dust or natural gas fuel. • Analysis identified that with safeguards in place, there would be no offsite impacts to surrounding land users in the event of any of these hazardous scenarios. • The Department is satisfied that with the implementation of the recommendations in the Preliminary Hazard Analysis and development of a Safety Management System, risks would be managed onsite.	Recommended conditions require a Safety Management System to be developed in accordance with the Department's Hazardous Industry Planning Advisory Paper No. 9 'Safety Management'.
Greenhouse Gas Emissions	• The project would generate approximately 91,000 tonnes of CO₂ equivalent (CO₂^e) a year once operating at full capacity. • This is approximately 0.2 tonnes CO₂^e per tonne of timber processed. • The Proponent estimates that the new facility would have double the emissions intensity per tonne of product processed. • The Proponent has indicated this would be due to the increase in processing to be undertaken at the new facility. • The Department understands that the new processing infrastructure would generate less waste (see below), but considers that options to reduce the energy intensity of the product should also be pursued.	Recommended conditions require: • an Energy Efficiency Plan to be prepared and implemented to ensure the project is energy efficient; and • a product management plan to be prepared and implemented (see waste below) which would need to consider the energy intensity of the product against the other liabilities and potential improvements that could be implemented.
Waste	• The project would generate waste streams from the milling process, the treatment process and the packaging of products. • The waste streams would include: - sawdust and wood chips (186,900 tonnes a year) suitable for agricultural and landscaping purposes; - treated timber residue (110 tonnes a year) that would be classified as hazardous waste and would need to be managed and disposed of; - treatment chemicals (12-14 tonnes a year) which would need to be sent to a licensed facility; and - general solid waste (120 tonnes a year) and liquid waste oil (6,000 litres a year). • The quantity of waste generated per tonne of timber processed would be reduced as a result of improved efficiencies in the mill. • The Department is satisfied that waste from the project would be appropriately minimised and managed through the recommended conditions.	Recommended conditions require: • monitoring and management of dust and wood residue levels; and • a product management plan to be implemented to undertake a lifecycle analysis of the product and to identify options to further reduce the quantity and liabilities of the waste produced.
Copper Chrome Arsenate	• The Department notes that potential health and environmental impacts associated with the use of CCA treated timber have resulted in increased restrictions on the use of this product in Australia and internationally. • The Department also recognises that alternative treatment chemicals are now available, which are purported to have lower health and environmental risks. • Nonetheless, while the sale and use of CCA treated timber continues to be allowed in Australia, the Department considers it is preferable to allow this processing to be undertaken locally (rather than importing treated timber that has been processed overseas). • Consequently, the Department has not recommended any conditions relating to the treatment chemicals used, however notes that this issue would need to be addressed in the Product Management Plan described	

Issue	Consideration	Recommended Conditions
	above.	
Aboriginal Cultural Heritage	- One item of Aboriginal cultural significance has been identified onsite. - DECCW considers that there is a high potential for Aboriginal artefacts to be disturbed onsite during construction and has recommended conditions requiring appropriate monitoring during construction and plans to manage any artefacts identified. - The Department agrees that earthworks should be monitored for disturbance of Aboriginal Cultural Heritage Items.	Recommended conditions require an Aboriginal Cultural Heritage Management Plan to be prepared and implemented to ensure the site is appropriately surveyed and monitored during construction, so that any artefacts would be appropriately salvaged or recorded.
Historical Heritage	- The ruins of the Wool Pack Inn (dated circa 1850-60) and a stone well associated with the inn occur on the project site. - Neither item is listed on any local, state or national heritage register. - Nonetheless, the Proponent's Heritage Assessment found that the Inn has local historic and scientific values and that the well is likely to contain archaeological material. - No works are proposed in the vicinity of the wool pack inn ruins. - Also, the batter slope in the north west corner of the site would be designed and constructed to avoid the well. - Consequently, the project would not impact on either item. - Nonetheless, the Proponent's Heritage Assessment recommended fencing the items to protect them from disturbance. - The Department agrees that fencing would ensure the heritage items are not inadvertently disturbed.	Recommended conditions require the Wool Pack Inn and Well to be fenced for the life of the project.
Visual Impact	- The most prominent building onsite would be the new greenmill with a height of 12 m. - All buildings would be clad in colourbond steel and colours would be selected to blend into the surrounding landscape. - Landscaping along the site frontages would be provided to further screen views of the facility and the noise barrier to be constructed along the Sandy Lane boundary. - The landscaping and use of natural colours is expected to minimise the visual impacts of the project.	Recommended conditions: - requiring a landscape management plan to be prepared and implemented, using endemic species; and - to control lighting, signage and fencing.
Parking	- The project would include 78 car parking spaces to cater for 94 staff (employed over 2 shifts) and any visitors the facility. - Due to the shift arrangements of the facility, the Department is satisfied that the proposed car parking is sufficient to accommodate the project's parking needs.	Recommended conditions require: - all parking generated by the project to be accommodated on site; and - the internal roads and parking to comply with Australian Standards.
Flora and Fauna	- The site has been cleared and is mostly comprised of grassland. - A pine plantation occupies approximately 10 ha of the south west corner of the site. Some eucalypts have also been planted on site, during revegetation works undertaken approximately 8 years ago. - No naturally occurring threatened species were identified onsite. - One eucalypt species believed to have been planted during the revegetation works is listed as Endangered under the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>. - The known natural occurrence of the species is limited to 2 locations in Victoria, over 500km from the site and the species is commonly used in landscaping works. - The Department is satisfied that this species has been planted on site, is not endemic or of conservation	Recommended conditions require the use of endemic species in the landscaping onsite.

Issue	Consideration	Recommended Conditions
	significance to the area.	

5. RECOMMENDED CONDITIONS

The Department has prepared recommended conditions of approval for the project (see Appendix A). These conditions are required to:

- prevent, minimise, and/or offset adverse impacts of the project;
- set standards and performance measures for acceptable environmental performance;
- ensure regular monitoring and reporting; and
- provide for the ongoing environmental management of the project.

Willmott and their consultants have reviewed the recommended conditions and requested a number of changes. In particular, Willmott requested a higher production rate limit for the timber treatment plant and raised concerns about the need to use an accredited site auditor during the remediation works.

The Department's recommended conditions adopt the production rate specified in the Proponent's Environmental Assessment. Increasing the timber treatment production rate has the potential to increase the impacts of the project, for example, additional wastewater would be generated and would require treatment. The Environmental Assessment does not appear to have considered these additional issues, for example it is unclear whether the wastewater treatment plant would have capacity to handle the additional wastewater that would be generated.

In order to avoid delays to the current application, the Department considers that this increase could be sought at a later date, through a modification application (once the environmental performance of the facility is determined). Consequently, the Department has not increased the production rate limits recommended in the conditions, but notes that this could be considered in the future, through a modification application.

In regards to the requirement to use an accredited site auditor, the Department has reviewed the conditions relating to remediation of the site in consultation with DECCW. On advice from DECCW the Department has revised the wording of some of the conditions but understands an Accredited Site Auditor would be required to undertake the site audit, under the *Contaminated Land Management Act 1997*. This solution has been accepted by the Proponent.

6. CONCLUSION

The Department has assessed the merits of the project in accordance with the requirements of the EP&A Act & Regulation.

This assessment has identified the key issues to be: soil and water, air quality, traffic and noise.

The Department has assessed these issues in detail, having regard to the objects of the EP&A Act, and the principles of ecologically sustainable development, and is satisfied that the project would not lead to any unacceptable environmental impacts.

Remediation of the existing soil and groundwater contamination would improve the site and a comprehensive wastewater management system would ensure that risks of future contamination would be minimised.

Detailed design of the new plant would explore options to reduce air emissions, especially particulates from the wood fired boiler, to ensure compliance with the air quality criteria. And management of the wood residue stockpile would need to be carefully monitored. Nonetheless, the Department considers that the recommended conditions would ensure the environmental performance of the site would improve.

The Department is satisfied that despite the increase in production at the site, the environmental impacts of the project can be suitably managed to ensure an acceptable level of environmental performance. In addition, the Department considers that the recommended conditions provide a

rigorous framework to ensure that appropriate environmental management and protection occurs at the site.

Overall, the Department is satisfied that the project has been adequately justified on economic, social and environmental grounds; and is in the public interest.

Consequently, it believes the project should be approved subject to conditions.

7. RECOMMENDATION

It is RECOMMENDED that the Deputy Director-General:

- consider the findings and recommendations of this report;
- approve the Project application, subject to conditions, under section 75J of the *Environmental Planning and Assessment Act 1979*; and
- sign the attached Project approval (see Appendix A).

Felicity Greenway
for
Chris Ritchie
Manager

Richard Pearson
Richard Pearson
Deputy Director-General

Chris Wilson
Chris Wilson
Executive Director
7.9.10

APPENDIX A: CONDITIONS OF APPROVAL

APPENDIX B: CONSIDERATION OF ENVIRONMENTAL PLANNING INSTRUMENTS

Section 75I(2) of the EP&A Act requires that reference be made to the provisions of any environmental planning instrument that would (but for Part 3A of the Act) substantially govern the carrying out of the project. Consideration of the proposed development in the context of the objectives and provisions of the relevant environmental planning instruments is provided below.

State Environmental Planning Policy (Infrastructure) 2007

SEPP (Infrastructure) 2007 aims to ensure the RTA is made aware of and allowed to comment on projects for developments listed in Schedule 3 of the SEPP. Schedule 3 identifies development including industry with a site area of more than 20,000m². The project therefore triggers the Infrastructure SEPP. The project was referred to the RTA for comment in accordance with the Infrastructure SEPP and the RTA's requirements have been incorporated into the recommended conditions..

State Environmental Planning Policy No. 33 – Hazardous and Offensive Development

SEPP 33 applies to the facility as a potentially hazardous industry. SEPP 33 aims to identify proposed developments with the potential for significant off-site impacts, in terms of risk and/ or offence (odour, noise etc). A development is defined as potentially hazardous and/ or potentially offensive if, without mitigating measures in place, the development would have a significant risk and/ or offence impact, on off-site receptors.

The proposed facility is a “potentially hazardous industry” as defined under the provisions of SEPP 33 and therefore a Preliminary Hazard Analysis (PHA) was prepared to assess the risk to people, property and the environment. The PHA found that the potential hazard scenarios from the facility would be chemical spills, noise, vehicle collision and fire. The analysis found that none of the hazard scenarios would present an unacceptable risk to surrounding land users. The analysis indicated that the project would comply with the relevant guidelines for hazard and risk and the Department is satisfied with this analysis.

State Environmental Planning Policy No. 55 – Remediation of Land

SEPP 55 applies to the existing operations due to the presence of contaminated soil. SEPP 55 aims to ensure that potential contamination issues are considered in the determination of a development application. A contaminated site assessment for the entire site was not able to be completed due to the location of the existing buildings onsite. Consequently, the Department has required further analysis of contaminated soil in the conditions of approval, once these buildings are demolished. This would ensure that the extent of the contamination would be identified. Further conditions would ensure that the site is appropriately remediated and made suitable for the proposed use. The Department is satisfied with the consideration of SEPP 55 in the EA.

Bombala Local Environmental Plan 1990

Bombala Local Environmental Plan 1990 (LEP) provides development controls for development in the Bombala local government area. The proposed facility is located in land zoned 1(a) (Rural Zone) and is permissible with consent in this zone. The objectives of the zone are to enable the continuation of traditional forms of rural land use and to enable other forms of development which are associated with rural activity, which require an isolated or rural location. The Department is satisfied that the proposed facility is consistent with the objectives of the zone and with the aims and objectives of the LEP.

APPENDIX C: RESPONSE TO SUBMISSIONS

APPENDIX D: SUBMISSIONS

APPENDIX E: ENVIRONMENTAL ASSESSMENT
